

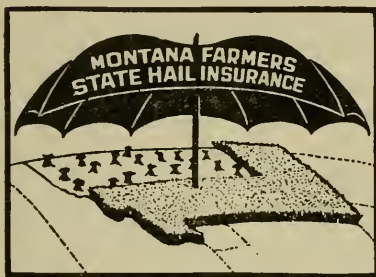


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th Annual Report

# State Board of Hail Insurance

*To Montana Grain  
Growers*

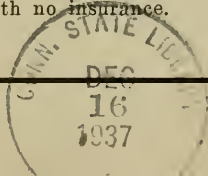


## 1933 SUMMARY

Total risk written.....	\$630,897.44
Premium charge .....	\$ 49,486.85
Losses paid .....	\$ 36,858.45
Policies issued .....	764
Loss claims filed .....	147
Total acres insured .....	109,888
Average insurance per acre.....	\$4.50
Average acres insured per farmer.....	144
Number of days with hail.....	32
Average cost of insurance.....	7.8%
Cost of \$10 per acre insurance.....	.78

Hail insurance is a necessary cost of raising grain.

It is easier to pay a moderate amount for hail insurance than to try to continue farming after a bad hail loss with no insurance.



**1933 Another Successful Year.** All hail losses were promptly paid in full and the hail insurance was furnished at a saving of about \$20.00 per thousand dollars.

**1933 Volume Reduced.** Low grain prices, coupled with threats of drouth and grasshoppers, reduced the volume materially. The number of persons insuring decreased a little over 25% from 1932 and the amount of insurance written per acre decreased from \$6.60 per acre to \$4.50.

**1933 Losses Slightly Over Average.** The season's losses were slightly over 6%. Hail damage over the state was not quite as severe as usual. The higher loss ratio for the State Fund was due mainly to a combination of two severe storms striking in areas where large risks were carried.

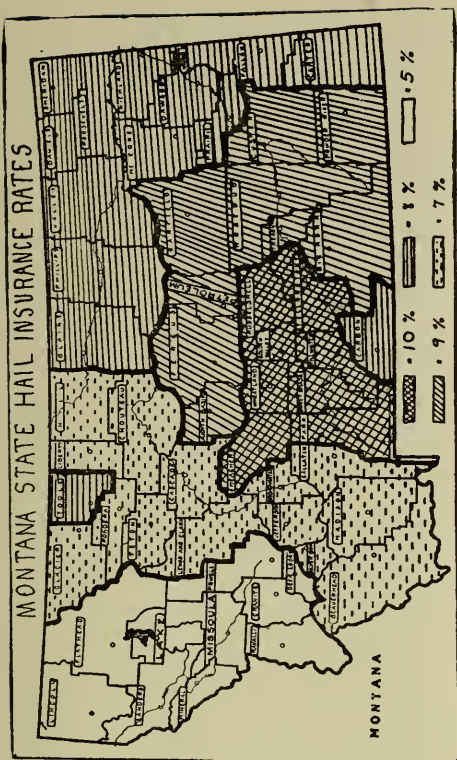
**Reserve Fund for 1934 Increased.** Collections for 1933 hail taxes will hardly take care of the year's losses and expenses. Fortunately collections on delinquent accounts charged to former years were good enough to increase the amount of cash on hand in January 1934 above that of January 1933. It seems now that payments on delinquent accounts from wheat allotment money and from Refinance farm Loans will run the reserve fund much higher than a year ago.

The reserve fund is of great value in enabling cash payment on early summer losses and in assuring full payment of all losses.

**The Outlook.** In recent years drouth coupled with very low prices of grain, has reflected sharply on the condition of the hail insurance department. Fortunately the fund has been able to survive with all losses paid and with an increased surplus.

For 1934, market conditions for grain growers look a little more favorable because of decreased acreage, also, a little income is assured from wheat allotment payments.

**Farmers Will Need Hail Insurance.** The State Board of Hail Insurance appreciates, however, that most of the growers will need the protection of hail insurance because of the uncertainty of damage from hail. Plans are being made to take care of all insurance needed, also for the adjustment and payment of losses.




The above map shows the limited rates for grain in percentage for various parts of Montana. These zone rates are established on the past records of the severity of hail in the various parts of the state. The rates will be less in case the losses fall below the average. The amount of insurance allowed per acre is shown on page 7.

**Rates for Special Crops** are more or less than the grain rates as follows:

Mustard—add one and one-half ( $1\frac{1}{2}\%$ ) per cent to the grain rate.

Beans, peas, alfalfa seed, sweet clover seed—add three (3%) per cent to the grain rate.

Potatoes and sugar beets—charge one-half the grain rate.



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# **Detail Statement—Risk, Levy, Losses, Loss Ratio.**

County—	1933 Risk Written	1933 Levy	1933 Losses Paid	1933 Loss Ratio	15 Year Average Loss Ratio	Average Cost 15 Years
Big Horn .....	\$ 29,012.00	\$ 2,537.77	\$3,175.32	11%	8%	9%
Blaine .....	36,509.00	2,912.72	623.75	1	5	7
Broadwater .....	.....	.....	.....	.....	2	7
Carter .....	850.00	68.00	100.00	12	3	7
Cascade .....	64,661.50	4,924.91	2,190.20	3	5	8
Chouteau .....	30,308.00	2,141.82	1,408.30	4	5	8
Custer .....	.....	.....	.....	.....	10	8
Daniels .....	58,632.50	4,682.34	5,092.72	8	5	7
Dawson .....	20,202.78	1,616.23	2,501.00	12	7	8
Fallon .....	5,950.00	476.00	430.00	7	4	7
Fergus .....	2,373.33	219.60	359.00	15	8	9
Flathead .....	560.00	26.88	106.00	18	4	7
Gallatin .....	11,951.22	964.98	1,035.00	8	13	7
Garfield .....	5,215.00	403.54	.....	.....	8	8
Glacier .....	19,800.00	1,391.75	585.00	2	3	8
Golden Valley .....	.....	.....	.....	.....	15	10
Hill .....	6,930.00	485.10	.....	.....	3	7
Jefferson .....	705.00	49.35	.....	.....	3	7
Judith Basin .....	10,830.00	974.70	453.00	4	5	9
Lake .....	780.00	39.00	.....	.....	.....	5
Lewis & Clark .....	.....	.....	.....	.....	.....	8
Liberty .....	23,224.75	1,621.43	288.00	1	2	8
McCone .....	4,947.50	375.80	.....	.....	3	7
Madison .....	.....	.....	.....	.....	5	6
Meagher .....	.....	.....	.....	.....	12	9
Musselshell .....	4,565.00	456.50	1,276.07	27	16	9
Park .....	.....	.....	.....	.....	16	9
Petroleum .....	1,980.00	180.60	313.75	15	3	8
Phillips .....	10,185.00	849.00	.....	.....	5	7
Pondera .....	39,356.00	2,906.13	8,010.40	20	8	8
Powder River .....	480.00	51.60	.....	.....	7	8
Prairie .....	23,885.00	1,701.20	75.00	1	6	7
Ravalli .....	1,970.00	144.10	.....	.....	.....	7
Richland .....	9,515.00	740.16	.....	.....	3	8
Roosevelt .....	34,680.00	2,750.40	138.75	1	4	7
Rosebud .....	2,595.00	255.15	.....	.....	5	8
Sheridan .....	33,203.36	2,654.27	234.20	1	4	8
Stillwater .....	.....	.....	.....	.....	11	10
Sweet Grass .....	.....	.....	.....	.....	6	9
Teton .....	30,035.00	2,228.31	1,280.00	4	4	8
Toole .....	17,811.00	1,487.90	2,878.40	16	6	8
Treasure .....	41,570.00	3,285.36	2,659.25	6	10	8
Valley .....	7,022.00	543.32	220.00	3	4	7
Wheatland .....	737.50	73.75	33.00	4	10	10
Wibaux .....	29,176.00	2,332.16	1,249.84	4	5	7
Yellowstone .....	8,689.00	935.02	142.50	1	9	9
	<b>\$630,897.44</b>	<b>\$49,486.85</b>	<b>\$36,858.45</b>	<b>6%</b>	<b>6%</b>	<b>8%</b>

## **BRIEF SUMMARY**

**1919-1933 Inclusive**

Total insurance written .....	\$21,367,078.00
Total paid on losses .....	\$ 1,709,336.00
Average insurance per policy .....	\$1,106.00
Average annual cost per farmer.....	\$88.00
Average annual cost in per cent.....	8%
Average annual payment per loss.....	\$312.00
Average insurance per acre for last 14 years...	\$8.50
Average insurance per acre for 1933.....	\$4.50

## **ADMINISTRATION ACCOUNT FOR 1933**

1. State office salaries and traveling expenses (chairman, clerk hire, board members' per diem and expenses) .....	\$5,138.93
2. General office expense (printing, stationery, supplies, postage, telephone, telegraph, equipment, insurance) .....	1,492.96
3. Hail adjusters' per diem and expenses.....	2,333.99
4. Advertising .....	255.28
5. Office rent .....	150.00
6. Collection expenses .....	1,219.13
7. Car, equipment and maintenance .....	537.78

**\$11,128.07**

# HOW TO GET STATE HAIL INSURANCE

**APPLY TO THE ASSESSOR OF THE COUNTY IN WHICH THE GRAIN TO BE INSURED IS GROWING.**

**Directions for Land Owners.** Owners of unencumbered land may obtain hail insurance by merely filling out an application and filing it with the assessor. The assessor has instructions to receive all such applications and to make the charge for them against the land only. The crop lien provision in the application is not to be used and the application is not to be filed with the county clerk and recorder. This class of owners may take not more than \$10.00 per acre insurance on grain in any county.

**Directions for Owners of Mortgaged Land or Land With Less Than One Year's Delinquent Taxes.** If the land taxes are not delinquent more than one year, or if the land is not under foreclosure, the applicant is not required to furnish waivers for crop mortgages of record when hail insurance is issued.

**Directions for Owners of Mortgaged Land or Land With More Than one Year's Delinquent Taxes.** If the land taxes are delinquent more than one year, or if the land is under foreclosure, then waivers must be obtained for crop mortgages of record when hail insurance is applied for, if the crop mortgages are for other purposes than feed or seed.

**Directions for Tenants.** Any tenant may secure State hail insurance by furnishing a crop lien subject only to prior liens for feed and seed. The crop lien is made a part of the application. If prior liens are a bar to insuring, the tenant must produce a waiver from the mortgagee ranking first after feed or seed mortgages and must file it with his application for hail insurance. The waiver must be for the maximum charge for the hail insurance. Tenants may also secure hail insurance by having the owner of the land sign consent for the hail tax to go against the land. Mortgages for feed or seed require no waivers.

**4% Discount for Cash Payment for Hail Insurance.** When any grain grower pays cash for his hail insurance he will be charged the regular maximum charge for his county less 4%. If a reduction is made later in the rate for the year he will be refunded the proper amount from the state office at Helena. Growers paying cash for hail insurance may insure grain in any county for the limit of \$10.00 per acre, if desired.

**Waivers May Delay Hail Insurance.** Grain growers should start early to secure waivers when they know they will be required before hail insurance may be obtained. Failure to do so may result in serious loss by hail during the time the waiver is sought. If any grower has an agree-



ment with the mortgagee to carry hail insurance he should arrange a definite agreement on how the proceeds of any hail loss may be divided.

**How Much Insurance Per Acre?** For 1934 the Board will allow hail insurance in the various counties for any amount desired up to \$8 and \$10 per acre. This is an increase over last year. About 80% of those insuring are careful about the amount of protection. We appeal to those who have not been careful, to use greater care for 1934.

**When to Insure.** Experience shows that grain crops should not be insured until they start stemming or reach the height of about 6 inches, and then growing conditions should be favorable. The same care should be taken when insuring special crops. Hail insurance is needed now as badly as in any former year but care should be taken to use it more as a matter of protection than speculation.

**Hail Insurance on Special Crops.** Not more than the amount shown after each of the following crops will be written per acre for 1934.

Beans, irrigated .....	\$12	Sweet Clover seed.....	\$10
Beans, non-irrigated .....	\$ 7	Alfalfa seed .....	\$12
Peas .....	\$20	Mustard .....	\$12
Potatoes .....	\$20	Sugar Beets .....	\$20

**Reduced Rates in Case of Crop Failure.** When any insured crop is damaged or destroyed by other means than hail, the hail insurance may be terminated and the cost of the insurance will be reduced as shown by paragraph 17 on the application and policy. Application for reduction must be made to the state office.

**Adjustment of Losses.** When any grower is sure his insured grain has suffered loss exceeding 5% he should promptly report his loss to the state office at Helena. An experienced adjuster will examine the grain within about a week. The adjusters are farmers who understand the effect of hail on grain and will give each claim very careful consideration. Haste in reporting losses at harvest time is urged.

**Payment of Losses.** The hail insurance law provides that within 40 days of the occurrence of the loss, payment shall be made as follows: One-half the amount of the adjustment, less the amount owed for hail insurance, shall be sent the insured. The final payment will be made as soon as practical after the close of the hail season. In recent years the first payment has been made in August and final payments in September or October.

**Montana State Hail Insurance Is a Mutual Fund.** All money paid into the fund is used for hail insurance purposes only. A small part is used for operating expenses and the balance is used for payment of losses as needed. All losses have been paid in full from 1919 to 1933 inclusive. The cash reserve for 1934 is about \$20,000.00. Usually more than \$10,000.00 is collected each year from delinquent ac-

counts. All of this may also be used for payment of losses, if required.

**Cash Payment for Hail Insurance.** This method of insuring is increasing slowly. It deserves more attention because it does away with crop mortgages and waivers. It also provides for a reduction of 4% in the cost of the insurance.

**Hail Insurance Fund Results in Big Saving.** The cost of hail insurance for 1933 resulted in a saving of about \$20 on each \$1000 of hail insurance. In addition the fund has provided hail insurance for many who otherwise could not obtain it. It provided an income for many whose crops were totally destroyed by hail.

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**PAYMENTS ON STATE HAIL LOSSES CANNOT BE  
GARNISHEED OR ATTACHED BUT MAY BE  
ASSIGNED.**

**PERSONNEL OF STATE BOARD OF HAIL INSURANCE.**

E. K. Bowman, Chairman, Helena  
Farmer and Member Montana Farmers' Union.

A. H. Stafford, Secretary, Helena  
Commissioner of Agriculture.

James J. Brett, Member, Helena  
State Treasurer.

P. J. Anderson, Member,, Conrad  
Farmer and Former Officer Montana Grange.

B. J. Anderson, Member, Fairview  
Farmer and Member Richland County Farm Bureau.

It is the duty of each assessor to furnish grain growers with full information regarding State hail insurance and to assist them in making application for hail insurance. This pamphlet is issued for the purpose of assisting assessors in presenting information to grain growers.

Ideas on the improvement of State hail insurance will be welcomed at any time from county officers or grain growers. Send them to the

**STATE BOARD OF HAIL INSURANCE  
HELENA, MONTANA**

